

Standing Up or Joining an International Program Office?

Some Nitty Gritty Details You Might Need to Know

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So you're going to lead or be part of an international program office (IPO). Let me take you back to 1987 and tell you about my experience when I worked on an international cooperative program – the Modular Stand-Off Weapon (MSOW). As program director, I found a reasonable amount of assistance and information on developing a Memorandum of Agreement (MOU) and “big picture” management of such programs, much of which is covered in the Defense Systems Management College (DSMC) International Program Management courses. What is not readily available, I discovered, is greatly needed but hard-to-find *insight* into the detailed aspects of such an effort.

In this article, I describe some of these details I had to manage from my perspective as program director. As you read through the article, you will find, as did I, that no “one size fits all”; nor are there any magic “cookbook” solutions for international cooperative programs. What I hope you glean from this article is an appreciation of some of the things you may encounter and how we handled them in the MSOW IPO.

Getting Started

First, some background. The MSOW was originally a seven-nation (later five-nation) collaborative effort under a General MOU signed in July 1987.¹ This MOU had the basic “rules of the road” but did not commit anyone to spend any money. Each phase was to be further de-

fined by a supplementary MOU that would contain a financial annex and, when approved through the national approval process and signed by the appropriate officials, would commit that nation to that phase of the program.

When I came to the program in September 1987, the Project Definition (PD) Phase MOU was being negotiated.² The text was agreed upon by November 1988, and the program office used it as a directive. Eventually, the Management Group approved the financial annex, but the MOU was never signed.

The program was set to enter the PD Phase [NATO terminology], which would be equivalent to the current Program Definition and Risk Reduction Phase (Demonstration/Validation Phase in the MSOW time frame). Program management was a three-tier international structure with a Steering Committee at the top (a two-star/civilian equivalent membership), a Management Group (colonel/civilian equivalent membership), and an IPO at the bottom. For the top two groups, this structure put all the participants in an equal position.

MSOW was unique in that it began the collaboration on a major system much earlier in the development process than did the more familiar F-16 and Airborne Warning and Control System (AWACS) programs. MSOW had to build its day-



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to-day management structure (the IPO) from scratch. This was necessary because MSOW had no infrastructure already in place, such as the F-16 System Program Office (SPO) or the AWACS SPO, to aid in its collaborative efforts.

A Home for the IPO

The PD Supplement MOU identified the United States as the host nation and Eglin AFB as the location of the IPO. The IPO was therefore an international ten-

ant on Eglin AFB. This particular agreement was different than the usual agreement the base had developed for other tenants because of the non-U.S. Government nature of the IPO. Therefore, it took considerable time and several iterations to get all the items included that were needed. The final iteration was not completed before the United States withdrew, the program ended, and the IPO disbanded.³ The IPO operated on Eglin without a formal agreement for over three years.

The construction of a building for the MSOW was another aspect of defining a home. The initial direction to the host base through a Program Management Directive was to construct a modular relocatable building whose "funded cost" was not to exceed \$200K. It took me some time to get someone in the civil engineering community to define funded cost, but it meant that this was the cost ceiling for all the site preparation work.

After that, as much could be spent on the structure itself as was desired by the funding agency. As it turned out, a later ruling stipulated that the structure cost was not an appropriate expenditure for U.S. MSOW program funding. This delayed the construction process until funding was sorted out. Because funding was delayed about five months — a potentially embarrassing situation for the United States — it took action by the Commander, [then] Air Force Systems Command with the Secretary of the Air Force to obtain release of emergency funding.

The building was eventually finished, taking about twice as long (eight months) as originally envisioned. By that time, the U.S. withdrawal had terminated the program. While the IPO was in existence, it temporarily occupied existing buildings at Eglin AFB.

Organization, Staffing, and Other Personnel-Related Items

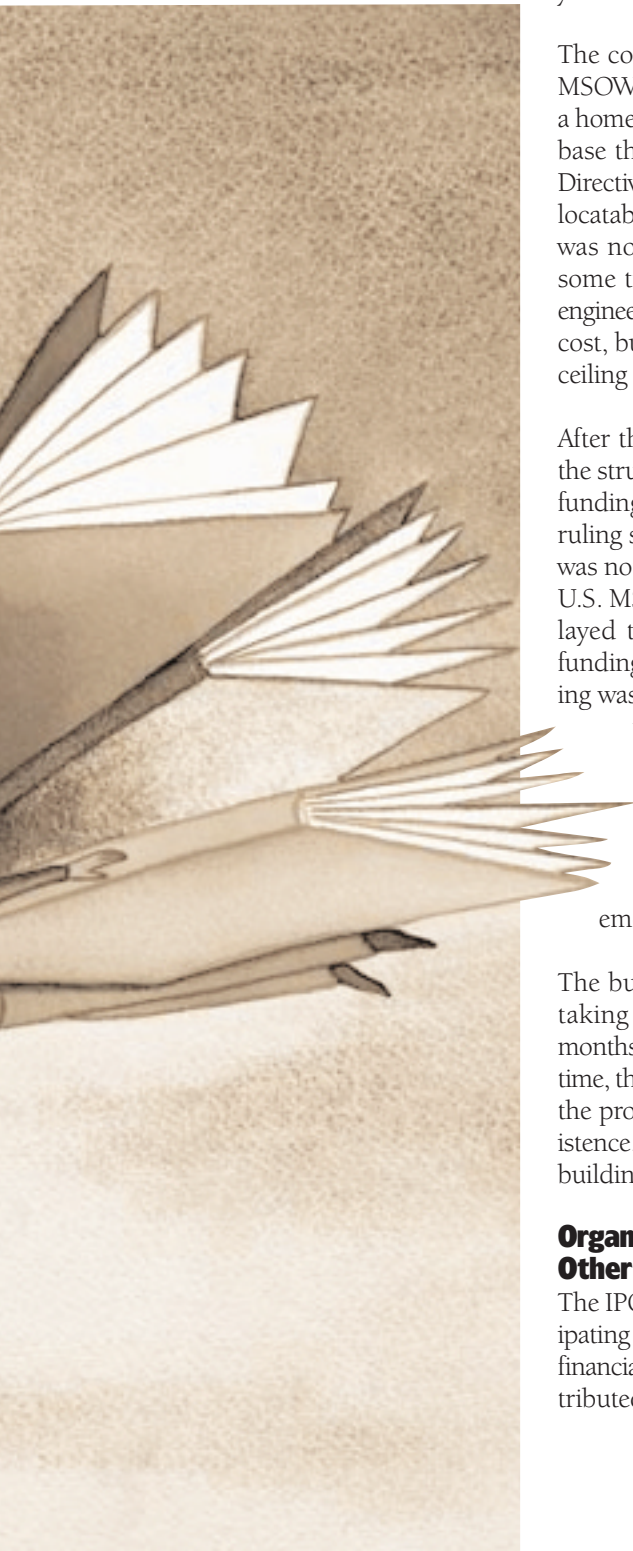
The IPO would be staffed by the participating nations in consonance with their financial contribution. So if a nation contributed 20 percent of the financing, it

would provide 20 percent of the approved staffing for the IPO. First, opinions differed on how many people it would take to properly staff the IPO. Depending on the nation, the numbers varied from six to 40. The compromise was 28 from the nations, with direct support staff (U.S. personnel funded by the participants) providing specialist expertise (e.g., contracting) or administrative support (e.g., secretarial).

The second task was to determine how the 28-member IPO would be organized and who would provide personnel to fill what positions. Two personnel selections were decided up front: the program director (United States) and the deputy director (United Kingdom). As the program director, I worked with my deputy to define the organization structure. For the remaining 26 members of the IPO, it was fairly easy to come to agreement on the functions and distribution of personnel.⁴

Third, we had to answer two questions: What countries would provide the chiefs of the various functions; and what countries would provide the working level in each function? The former question turned out to be politically "sticky" because we had more countries than chief positions (not counting the director and his deputy). This had to be resolved by the Steering Committee and was only resolved when one participant agreed not to seek a chief position but instead was granted preference for certain other positions.

As for the working level, we came up with a process where each participant offered to fill certain positions. In almost every case, we had more offers than positions.^{5,6} At this stage, particular individuals and their qualifications were not put forward. This never came to final resolution because the program did not go forward. In hindsight, we most certainly would have considered each offer based on individuals and their qualifications, while keeping in mind that each nation had to provide a certain number of people to meet their commitment. Again, this would have been a politically sticky job at best.



An additional factor was that some nations were not prepared to assign their personnel to the IPO permanently until their respective countries approved the PD Supplement MOU. Notwithstanding, there were exceptions — the British deputy and the total German contingent became permanent members of the IPO as soon as we defined and obtained approval on the IPO structure. However, all nations fully supported the source selection process with temporary duty personnel, as required.

The direct support positions presented another interesting challenge. The direct support concept was to hire U.S. employees on term positions. (We could establish a term position based on the fact that we had known funding available over a specific period to do jobs only a U.S. employee could do [contracting] or where it made more sense that a U.S. employee perform the task [secretarial/administrative].) The participating nations would share the costs of these positions in the same way that they shared other program costs. While the IPO encountered no problem when these positions required someone full time, part time was a problem. For part time, the only way to get needed support was to have an existing, authorized, and filled U.S. position and reimburse for the actual use. This created a problem in two ways.

- First, when the particular specialty already had its currently authorized people fully engaged in other work, no way existed to establish a “partial term position” to cover MSOW needs.
- Second, even if the U.S. employees in the particular specialty were available to support the IPO, the United States was unwilling to accept “pay as you go” and wanted a minimum use guarantee. No good solution emerged for either of these problems, and again the overall approach was never tested due to program termination.

The last portion of the personnel area was performance reporting. Quoting the General MOU, “The Terms of Reference for the IPO will make clear that staff members are dedicated to the Pro-

gramme only and that Participants will not place other national tasks on their respective IPO members.” This, in essence, said everyone in the IPO is, as we say in the United States, “purple”; that is, representing everyone involved. To me, this clearly meant we needed a system of performance evaluation *inside* the IPO for our members. Since IPO members were administered by their respective home nations, we were mindful that this performance reporting must also “feed” the national personnel system of each of the five participating nations. Toward that end, I developed, presented, and gained approval of the Management Group for a system that had the following parameters:

- Immediate supervisor must be an integral part of the process.
- Process must lead to an accurate and fair reporting into the national systems.
- System must be based on task definitions.

For those IPO personnel below the division chief level, the Senior National Representative or SNR (the most senior person from a given country in the IPO) would brief supervisors on key aspects of the national system. SNRs would stay knowledgeable on the performance of their particular nation’s IPO members. To develop a task definition, reach agreement with the ratee on the task definition (IPO director and deputy review), observe and record performance, and provide feedback to the ratee, the supervisor would use the Terms of Reference for the position.

Next, SNRs would receive the supervisor’s performance evaluation of their respective nation’s IPO members and transpose the evaluations onto national forms peculiar to each country. Each form would then be reviewed with the ratee’s supervisor, the IPO director, and deputy. Finally, the supervisor would feed each evaluation into the national system of the ratee.

For those personnel at the division chief level, the system works the same, with the IPO director or deputy as the su-

pervisor. Similarly, the IPO director is the supervisor for the IPO deputy director. For the IPO director, the Management Group would provide an input to the officer evaluation reporting official who prepares the national form.⁷

National Approval Processes

During the life of the program, the five participating nations had their own approval processes for the MOU supplements. What drove these processes were the text and the Not-to-Exceed Cost Annex of the supplement. In most cases, the parliament stayed involved in the approval process. To assure a timely contract award, I needed to be confident that the approval processes could be successfully completed somewhere close to the end of the source selection process. As the program moved through the source selection process, I began to ask about the time lines of these processes.

During the source selection process, I looked into this situation and discovered that the topic of the national approval processes had been discussed at the Management Group before I came to the program; but somehow the discussion never reached a clear definition of each country’s process. These processes were on the critical path to a contract award, so I was finally able to convince the two-star Chairman of the Source Selection Advisory Committee and the four-star Chairman of the Source Selection Authority Committee to use their influence and force this topic onto the table.

The prior reluctance to get this in the open, in my view, was that no one wanted their nation’s process to be the “long pole in the tent.” All these approvals were in two stages: first, the signatures of the MOU supplement, and second the process to make the money available to the IPO. Once all the information became available, it showed that the key element was a four-month gap between the two parts for one of the countries, and that gap began just about when the source selection decision was due. What this told me was that we needed to get an agreement among all the other participants to front-load their funding and allow this trailing country

to back-load its funding; otherwise, we would have a four-month delay in the contract award. We did, in fact, get this agreement.

A Word From the Author

I provided all the documents listed as references to the DSMC International Department. In addition to these documents, three others (also supplied DSMC) contain additional information that may be helpful to U.S. personnel involved in international collaborative efforts:

- Munitions Systems Division History Office Interview of Air Force Col. Alan E. Habermusch, Program Director, MSOW IPO, Eglin AFB, Fla. 32542, Dec. 15, 1989.
- "Modular Standoff Weapon Management, the Programme Manager's Perspective," an article that appeared in

the magazine NATO's *Sixteen Nations*, April/May 1988.

- "The Modular Stand-Off Weapon, Federal Acquisition Regulation Waivers and Deviations in an International Acquisition," published in *Proceedings, 1991 Acquisition Research Symposium*, Volume II.

Editor's Note: The author welcomes questions or comments concerning this article. Contact him via E-mail at haberbus@eglin.af.mil.

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1. General Memorandum of Understanding Concerning General Arrangements for the Collaborative Development and Production of a Modular Stand-Off Weapon, July 1987.

2. Supplement No. 1 to the Memorandum of Understanding Concerning the Collaborative Project Definition Phase of the Modular Stand-Off Weapon System, Draft, Nov. 10, 1988.

3. MSOW IPO/CC Letter, Jan. 24, 1990, Lessons Learned, Appendix 1, "Some Special Topics," Attachments 6-7, MSD/MSOW IPO Program Office Support Agreement.

4. MSOW IPO/CC Letter, Jan. 24, 1990, Lessons Learned, Appendix 1, "Some Special Topics," Attachment 3, MSOW IPO Organization.

5. MSOW IPO/CC Letter, Jan. 24, 1990, Lessons Learned, Appendix 1, "Some Special Topics," Attachment 2, MSOW IPO Organization in the PD Phase.

6. Addendum to Lessons Learned on Modular Stand-Off Weapon (MSOW).

7. Ibid.

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